

Date

Contractor Name  
Contractor Address  
City, State, & Zip

Re: Contract N62470--C- , Contract Title

Gentlemen:

This letter is in response to your letter of concerning extended home office overhead costs. Extended home office overhead is normally used when there has been a complete suspension or constructive suspension of work on a contract. We do not believe this has been the case on this project because you have been able to continue to work on the other aspects during the time periods outlined in your letter.

Additionally, you cite the period of the original contract completion date to the modified (P000 ) contract completion date of in your request for extended home office overhead. You were compensated for home office overhead for this period under modification P0000 which you signed .

The information provided to date does not show that you were impacted in your absorption and only presents a basis for calculating that overhead if there was an impact. We do not believe that there was an impact. If you feel, however, that you are still entitled to home office overheads using the Eichleay computation method please provide the data below for analysis for both you and your subcontractor.

1. Complete audited financial statements (DCAA if available) for the previous 2-3 years prior to contract award, as well as financial statements from the time of contract award to the time of the end of the delay.

2. For the contract period and one year prior to contract award, a monthly breakdown including date of costs and expenses for:

- a) All company contract revenues (billings)
- b) All company contract costs (direct, field overhead, subcontractors)
- c) All company/home office overhead expenses, with a detailed breakdown of these expenses
- d) Subject contract revenues (billings)
- e) Subject contract costs

3. Using this data, present tabular or graphic charts, based on monthly entries, comparing:

- a) All company home office overheads with all company contract billings starting with the year prior to contract award through the contract period.
- b) All company contract costs with all company contract revenues starting with the year prior to contract award through the contract period.
- c) All cumulative company home office overheads with all cumulative company contract costs starting at least six months prior to contract award through the contract period.

Analysis of the above data will indicate if there was any impact upon the home office overhead for the period in question. If the data indicates that compensation is warranted, I am willing to negotiate a fair and equitable settlement for those costs.

Sincerely,

Officer in Charge of Construction